



Administrative Assistant to the Selectmen

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Proposed Revenue Budget 2010/2011

To: Selectmen
From: Stu Marckoon
Re: Revenue Budget
Date: December 2, 2009

It's with some hesitation and a lot of unknowns that I present the 2010/11 revenue budget. The reason for the hesitation is that we do not yet have the audited fund balance figures and there are a lot of economic unknowns. The figures below are at best, educated guesses.

Property Tax Interest – The proposed amount of property tax interest is lowered by \$500 to reflect the lower interest rate on overdue taxes, the delayed due date of the two payment system and other factors. We're currently running a bit ahead on interest collections, but that most likely is because the 2007/08 property tax liens mature soon.

Auto Excise – A \$10,000 reduction is based on the actual amount collected in FY 08/09 (\$283,000). Assuming that automobile sales stay flat for a while, we should be able to achieve at least this much during FY 10/11.

Boat Excise Taxes – A \$300 increase is proposed based on the FY 08/09 actual. The proposed \$3,800 is slightly lower than the actual for 08/09

Administration Fees – No change is proposed from the current \$1,000 budget. The 5-year average is \$1,220, but the actual for 08/09 was \$1,009.

Tax Lien Charges – The revenue amount (\$1,350) matches the expense amount in the administration budget as has been past practice.

Agent Fees – No change is proposed from the \$5,500 budget for the current fiscal year. The actual for FY08/09 was \$5,579.

Revenue Sharing – A 10% reduction is budgeted from the current year budget based on the state's continuing economic woes.

Investment Interest – A \$10,000 reduction in revenues from interest is budgeted based on the following factors:

1. Interest rates are a lot lower than the "boom" years.
2. We have cash flow issues due to the RSU payments being due in equal installments.
3. The 2 payment tax system means we have less money coming in during October; therefore it's in the bank for a shorter period of time earning interest. It's my hope we'll be able to earn \$15,000 on investments for the general fund.

Cell Tower Rental – We know we'll receive \$12,000 from the cell tower land rental. The town meeting that approved the ability to lease the land did not stipulate where the funds were going. It was proposed to the annual town meeting in 2008 as follows:

Article 34** -To see if the Town will vote to dedicate 50% of any revenues derived from the lease of town owned land to Verizon Wireless and / or successors during Fiscal Year 2009 to the Parks Fund to be used for capital improvement projects subject to town meeting approval and 50% of the revenues to be added to the town's capital improvement fund. **It was moved and approved to approve the motion as written. Administrative Assistant Marckoon reported that the lease with Verizon has been put on hold indefinitely, and the motion was moot. The motion failed on a hand vote.

Therefore, there is no stipulation that this be set aside for capital projects at this time. That might be something worth considering for a future town meeting.

Surplus Use – As mentioned above, I do not have the audited figures yet and I don't really know what the audited surplus balance is. At this time, a \$10,000 reduction in the available surplus amount is included, subject to change.

Total General Fund Revenue – The proposed amount available from the general fund is \$24,914.93 less than the current fiscal year.

CEO Revenues – The building boom is definitely over, and as such, a \$2,300 reduction in expected Code Enforcement Revenues is projected for FY 10/11. The Planning Board has received the memo on behalf of the Budget Committee suggesting adjusting application fees to better reflect costs. The revenue budget (\$8,200) reflects about 41% of the CEO expense budget (\$19,905).

Road Assistance – A 10% reduction in this state funded line is proposed.

Road Fund Use – If we get the final bills in for the flood repair from June 2008, we should be able to move some encumbered spending back into the road fund. Additionally, we've received FEMA assistance for that, and while it's not the \$40,000 available for the current fiscal year, there is some left over that can be applied toward the paving costs. (\$15,000)

Parks & Recreation Fund – A modest \$200 is proposed, which covers about 1/3 of the cost of the Parks Commission's mailing campaign. Once I have the audited figure on the Parks Fund, we might be able to increase this to cover the entire mailing cost.

Cable TV Revenues – This figure (\$5,000) offsets the expense budget. The actual amount is closed into the CTV fund, and an audited figure on that fund will show it's pretty healthy still

Animal Control Fees/Fund – The \$1,500 is based on the 5-year average, and less than the actual collected in 2008/09. There may be a slight drop off because there will no longer be a warrant fee collected on dogs that are registered very late. State law changed. A significant source of funding for animal control is for late fees from people who ignore reminders about getting dogs registered on time.

Capital Projects – The proposed \$10,000 matches the revaluation fund line. A persuasive argument could be made to increase this to \$13,495 to match instead the FD radio purchases that will be needed. The audited balance in this fund should be known soon. This represents a drop of \$23,000 from FY 09/10.

Total Revenue – The total amount of non property tax revenue is projected to fall by \$77,194.93, or 14%. The total increase in property tax revenue needed to fund the proposed budget is \$35,029.36 (municipal only). As you can see, the loss of revenue is completely responsible for any tax increase. If revenues held the same for FY 10/11, the municipal tax commitment would be less than the current year.

Respectfully submitted,

Stu Marckoon, Adm. Asst./Treasurer